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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of

Federal-State Joint Board on  
Universal Service

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CC Docket No. 96-45

DOCKET FILE COPY ORIGINAL

**Comments of Communications Workers of America**

These are Comments of the Communications Workers of America (CWA), filed pursuant to the "Notice of Proposed Rulemaking and Order Establishing Joint Board," the "NPRM," released by the Commission March 8, 1996. This NPRM was adopted by the Commission pursuant to Section 254 of the Communications Act of 1934, as amended by Public Law 104-104 (Telecommunications Act of 1996).

For more than 60 years, since passage of the 1934 Communications Act, the principle of universal telephone service has been a major public policy goal, based both on fairness concerns and the economic fact that the value of the network increases with each additional subscriber. The original goal of universal service was to ensure that everyone had "plain old telephone service," or "POTS."

But as technology and society change, the definition of universal service must evolve. Even by the old definition, the nation has not achieved universal service. Six percent of American households, or more than 6 million Americans, do not have telephone service. The numbers increase to 18 percent among Black and Hispanic households.

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Today, even as we aim to ensure that all Americans have access to the voice communications network, we must at the same time expand our definition of universal service to include advanced telecommunications and information services. Equality of opportunity and democratic participation will be lessened so long as some Americans access computer networks while others cannot afford ordinary telephone service. We can ill afford to let rural and low-income regions of our country stagnate economically nor suffer further isolation because they are priced out of access to advanced telecommunications services.

Where market forces fail to provide adequate incentives to upgrade the network or to offer services at affordable rates, public policy must step in to stimulate or to subsidize the service. Eventually, as more and more people and businesses connect to and use advanced telecommunications networks, unit costs will decline.

CWA believes that this nation, with a more than \$200 billion telecommunications industry, has the resources to ensure that every resident and every business has affordable access to the evolving communications networks. CWA's comments in CC Docket No. 96-45 address how the principle of universal service in the Telecommunications Act of 1996 can be realized in a competitive, technologically neutral manner and updated to include access to advanced telecommunications and information services.

CWA's comments will focus on four major issues:

(1) **Definition of Universal Service.** We define the core telecommunications services that should be universally available at just, reasonable, and affordable rates.

(2) **Quality Service.** CWA details rules and policies necessary to ensure that telecommunications services are “quality services,” as mandated by the 1996 Act.

(3) **Funding.** CWA describes a funding mechanism to assure quality universal service at just, reasonable, and affordable rates.

(4) **Access to Advanced Telecommunications and Information Services.**

In the short-term, network access at affordable rates to advanced telecommunications and information services may not be available to every home and every business in the nation. However, CWA supports provisions in the 1996 Act that make schools and libraries centers of affordable access for everyone to these advanced services. Public policy should stimulate investment and demand in regions of high marginal cost, which in turn will reduce unit costs over the long-term.

The numbers in the text refer to the paragraphs in the March 8, 1996 Notice of Proposed Rulemaking.

### **I. Definition of Universal Service**

Paragraphs 15-23 in the NPRM ask for comments on the definition of services that qualify for universal service support.

The following items qualify today for universal service support to enable every residential and single-line business customer to use these services at just, reasonable, and affordable rates. This list should be reviewed at a minimum every three years.

- (1) Voice grade access to the public switched network, with the ability to place and receive calls. This includes affordable connection charges and access to a calling plan sufficiently large to encompass the user's community of interest.
- (2) Touch-tone
- (3) Single party service
- (4) Access to emergency services (911)
- (5) Directory listings
- (6) Relay services
- (7) Access to toll blocking
- (8) Equal access to interexchange services
- (9) Access to operator services and directory assistance, including initial contact with a live operator
- (10) Access to business office and repair bureau, including initial and prompt contact with customer service personnel

The services in this list meet the four criteria for universal service support as described in Section 254(c)(1) of the 1996 Act, and subscribed to by a substantial

majority of residential customers. They are essential to education, public health, or public safety.

In addition, CWA makes the following points:

Access to operator and directory assistance services, including initial contact with a live operator, is necessary. As the Commission NPRM notes, access to operator services is indispensable for users in public health or public safety emergencies, and as such, is consistent with the public interest, convenience, and necessity. Operator services are available throughout the public switched network and are used by a substantial portion of residential customers.

The customer must be able to make initial contact with a live operator. In a public health or public safety emergency, customers need immediate contact with personnel who can provide the often agitated callers with split-second assistance. A voice response system for operator services fails to meet this test.

Prompt customer access to the repair bureau and business office appears to be a problem today. As a result of short-staffing, customers are kept on hold for long periods of time until service personnel are available. Thus, CWA urges *prompt* access to repair bureaus and business offices must be added to the list of services that qualify for universal support.

Any telecommunications provider that receives any form of universal service support--whether in the form of access charges, contributions from the Universal Service fund, separations charges that set rates above cost, or any other mechanism--must be required to invest in upgrading the network infrastructure.

## **II. Quality Service**

In paragraphs 4 and 68-70 in the NPRM, the Commission seeks comments on how to implement the Act's mandate that "quality services should be available at just, reasonable, and affordable rates."

The Commission should establish federal performance-based service quality standards on which all telecommunications providers must report to the Commission and for which they are accountable. Any carrier receiving support from the federal Universal Service Fund must meet these quality standards in all four prior calendar quarters. Failure to meet quality standards should result in denial of USF support; in addition, the carrier should be required to pay a penalty into the Universal Service Fund.

In the NPRM paragraph 69 the Commission asks whether it should collect and publish quality information or if this matter is best left to the states. The most comprehensive compendium of state Telephone Service Quality standards was published by NARUC in 1992. At that time, 25 states had no service standards on installation; 16 states had no standards on call completions and business office, repair bureau, directory assistance, and toll operator answer time; 27 states had no technical standards on transmission; and 17 states had no standards on trouble reports and clearing time. Among those states that do set standards, some do not make that information available to the public.

The Commission is certainly well aware of many service quality complaints and penalties imposed in the States over such problems left unmet. The Joint Board should devise methods to enhance service quality in an effort involving the Federal and State regulatory agencies.

Despite the subsidies they receive from the Universal Service Fund (USF), some telecommunications companies have let service quality seriously deteriorate.

GTE is the largest recipient of Universal Service Fund (USF) support. In 1995, GTE received \$176.7 million from the USF, which amounted to almost one-quarter (23.7 percent) of the total USF distribution. In 1996, GTE is expected to receive \$143.9 million from the USF, almost one-fifth (19.6 percent) of the total USF distribution. (See Attachment 1).

And yet, service quality data on GTE reported to the FCC in the Armis Reports (reports 43-05) reveal that the company is not delivering quality service to the high-cost areas for which it receives USF subsidies. (See Attachment 2).

In Missouri, which receives the second highest USF support among the states, GTE Midwest- Missouri received \$46.2 million in 1995 and is expected to receive \$34.6 million in 1996, representing about three-quarters of that state's total USF distribution.

At GTE Midwest-Missouri, repeat trouble reports among residential customers increased 202 percent from 1992 to 1995, from an average of 677 per quarter in 1992 to 2,043 per quarter in 1995. Among business customers, repeat trouble reports over the same period increased 340 percent, from an average of 107 per

quarter in 1992 to 471 per quarter in 1995. Adding residential and business customers together, repeat trouble reports over this four-year period increased 221 percent, from an average of 784 per quarter in 1992 to 2,514 per quarter in 1995.

These statistics understate the problem. GTE-Midwest Missouri has instructed employees not to enter all trouble reports into the database.

In Texas, which is the state with the largest contribution from the USF, the data also show serious decline in GTE's service quality. In Texas, GTE-Southwest received \$27.4 million in USF support in 1995 and is expected to receive \$20.3 million in 1996.

In Texas, GTE-Southwest's total repeat trouble reports increased 397 percent from 1992 to the second quarter of 1995. Residential repeat trouble reports went from 3,116 to 14,741 per quarter, an increase of 373 percent. Repeat trouble reports from businesses increased from 834 to 4,883, a 486 percent increase over the same period.

Data provided by GTE-Southwest to the Texas Public Utilities Commission found that GTE failed to answer calls to the Business Office within 20 seconds in 1992, 1993, and the first three quarters of 1994. In fact, GTE failed to meet the standard for sixteen months in a row-every single month from November 1991 through February 1993.

GTE also had difficulty meeting PUC standard for Repair Service calls answered within 20 seconds. From January 1990 through September 1994, calls were answered within 20 seconds only 88.4 percent of the time.



Similar problems are reported for GTE in the states of Virginia, Alabama, Wisconsin, and California. In these states, GTE is expected to receive from the USF in 1996 \$1.3 million, \$13.5 million, \$1.1 million, and \$8.7 million, respectively.

Repeat trouble reports increased 74 percent in Virginia, 110 percent in Alabama, 123 percent in Wisconsin, and 78 percent in California between 1992 and 1995. (See attachments)

Therefore, the Commission should establish federal standards to fill the gap among the states and to ensure public accountability. Service quality standards should address the following:

(1) Installation of Service

- Primary Service Orders
- Regular Service Orders
- Commitments Met

(2) Answer Time

- Toll Operators
- Directory Assistance/Intercept
- Repair Service
- Business Office

(3) Call Completions

- Dial Tone Delay
- Intraoffice Local
- EAS/EMS

- IntraLATA Toll

(4) Transmission and Noise (loss and noise)

- Subscriber Lines

- PBX/Multi-Line

- EAS

- Toll

(5) Trouble Reports

(6) Out of Service Clearing Time

(7) Clearing Time Commitments Met

### **III. Funding Mechanism**

Paragraphs 118-124 in the NPRM ask two questions: who should contribute to universal support mechanisms and how should contributions be assessed.

The 1996 Act mandates that all telecommunications providers shall contribute to universal support. The Commission asks who should be considered “telecommunication providers.” In our view, telecommunications providers should include all entities that provide transmission services to third parties for compensation, including but not limited to local exchange carriers, interexchange carriers, alternative access providers, providers of private lines to third parties, mobile, satellite, and trunkline carriers. In addition, the telecommunications providers required to pay into support mechanisms must also include information providers and

enhanced service providers that transmit services over the public network and/or parts thereof to third parties for compensation.

All telecommunications providers, as defined above, are mandated by the 1996 Act to make contributions into a federal Universal Service Fund. This USF should continue the current practice of administration by an independent entity.

Contributions to the fund should be assessed based on the gross receipts of all telecommunications providers, net of payments to other carriers. This method would be similar to the system used to support the relay system for the hearing impaired.

The advantage of such a system is that it is transparent and competitively neutral. It requires all telecommunications providers to contribute based on the level of their telecommunications economic activities.

Transition to this system can be phased in. Other contribution programs and support systems such as access charges under the Commission's separations rules can be taken into account and serve as a credit against the telecommunications providers' contribution into the Universal Service Fund.

Similarly, telecommunications providers would be credited for any subsidized services they provide such as serving high cost areas or schools and libraries at reduced rates.

In high-cost areas, incumbent local exchange carriers would be designated as carriers of last resort. Other providers would be eligible to come in and serve the

area and receive Universal Service Fund contributions, so long as they agree to provide the service to all consumers and meet the set quality standards.

Finally, the funding mechanism and costs are succinctly addressed by Roy M. Neel, President of the United States Telephone Association, in an interview article published in *Telephony* of March 18, 1996:

In a competitive environment, it's unrealistic to expect the incumbent carrier to have all the obligations of wiring these institutions without adequate compensation. Our feeling is that all carriers should be able to compete for universal service subsidies, but if they receive those subsidies, they're responsible for the same social obligations as the incumbent local exchange carrier has been. And all carriers profiting from a market should contribute funds to those subsidies.

CWA agrees with Mr. Neel.

#### **IV. Access to Advanced Telecommunications and Information Services:**

##### **Schools and Libraries**

CWA's definition of universal service envisions in the future affordable access to advanced telecommunications and information services, including Internet access, interactive video, and data transmission. All residences and businesses, regardless of geography or income level, should have affordable access to these services. In the short-term, this goal can be realized by ensuring that all public and non-profit schools and libraries have affordable access to these advanced telecommunications services through reduced rates, as mandated in the 1996 Act.

This public policy goal is within our grasp. In an estimate prepared for the

U.S. National Advisory Commission on the National Information Infrastructure, McKinsey and Company estimate the cost of initial deployment of at least one computer laboratory at every school capable of connection to outside computer networks at \$11 billion and at \$47 billion to connect every classroom and to provide one computer for every five students. They estimate annual operating expenses at \$4 billion a year for the computer laboratory model and \$14 billion a year for the classroom model.

The U.S. Department of Commerce estimates the cost of deploying, operating, and maintaining online services in libraries at \$1.6 billion for initial deployment and \$1.3 billion in annual operating costs.

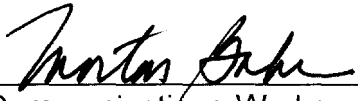
Carriers that provide reduced connection and user rates to public and non-profit schools and libraries as mandated by the 1996 Act should be eligible for reimbursement from the Universal Service Fund. Ten percent of the Universal Service Fund should be dedicated to this purpose. Telecommunications providers that provide these subsidies can apply the difference between the long-run incremental cost of the service and the reduced rate as a credit against their contribution into the Universal Service Fund.

Stimulating network modernization and user demand for advanced telecommunications and information services by making schools and libraries centers for community access will over time reduce the marginal costs of these services for all users.

## **V. Conclusion**

The universal availability of high quality telecommunications services at an affordable price should be the standard by which we judge telecommunications policy in a competitive framework. The challenge before the Commission is to ensure that the mandates of the 1996 Act to provide quality services at affordable rates; access to advanced services in all regions of the country; equitable, nondiscriminatory, and predictable support mechanisms; and access to advanced telecommunications services for schools, libraries, and non-profit health care providers are met.

Respectfully submitted,

  
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Communications Workers of America  
Morton Bahr  
President

April 12, 1996

Universal Service Fund  
Support to GTE/Contel  
\$ millions

State/Company      1995 1996(expected)

## ALABAMA

Contel South	9.6	6.3
GTE South	2.9	7.2
Total	12.5	13.5
% of state USF	59.2%	61.6%

## ARIZONA

Contel of West	4.6	0
Contel of CA	0.5	1.1
Total	5.1	1.1
% of state USF	35.2%	7.1%

## ARKANSAS

Contel of AK	11	9
Contel of KS	0.6	0.4
GTE-SW	5.7	5.8
Total	17.3	15.2
% of state USF	47.0%	40.0%

## CALIFORNIA

Contel of CA	7.3	7.9
GTE of CA	2.6	0.8
Total	9.9	8.7
% of state USF	22.4%	19.0%

## FLORIDA

GTE-FL	0	2.9
% of state USF	0	11.8%

## IDAHO

GTE-NW	10.8	11.1
% of state USF	53.2%	63.8%

## INDIANA

Contel-IN	2	0
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## KENTUCKY

GTE-South	0.4	1.5
Contel of KY	7.8	7.8
Total	8.2	9.3
% of state USF	94.3%	92.1%

## MICHIGAN

GTE-North	2.5	2.6
Contel of South	0.5	0
Total	3	2.6
% of state USF	24.0%	22.4%

## MINNESOTA

Contel of MN	2.4	1.1
% of state USF	31.2%	13.8%

## MISSOURI

GTE-North	1.4	0
GTE-E MO	0.9	0.4
Contel Systems	7.1	5.7
Contel of MO	36.8	28.5
Total	46.2	34.6
% of state USF	73.2%	74.9%

## MONTANA

GTE-NW	0.7	0
% of state USF	6.7%	0

## NEVADA

Contel of CA	0	0.5
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## NEW MEXICO

Contel - West	5.7	3.1
% of state USF	30.0%	19.1%

## NORTH CAROLINA

Contel of NC	7.8	7.6
% of state USF	33.8%	34.7%

## OKLAHOMA

GTE-SW	3.4	6.4
% of state USF	13.7%	23.7%

## OREGON

Contel-NW	0.6	0
% of state USF	2.6%	0

## SOUTH CAROLINA

GTE-South	2.8	1.9
Contel of SC	0.5	0
Total	3.3	1.9
% of state USF	14.0%	9.5%

## TEXAS

GTE-SW	5.1	5.1
Contel-TX	22.3	15.2
Total	27.4	20.3
% of state USF	29.6%	22.8%

## VIRGINIA

Contel of VA	0.1	0.3
GTE-South	0.8	1
Total	0.9	1.3
% of state USF	28.1%	32.5%

## WASHINGTON

Contel-NW	7.7	1.6
% of state USF	34.8%	10.1%

## WISCONSIN

GTE-North	1.8	1.1
% of state USF	24.3%	14.7%

## GRAND TOTAL

% of USF	176.7	143.9
	23.7%	19.6%

Source: USF Annual Data Submission to  
the Federal Communications Commission,  
September 19, 1995.

**GTE Service Quality Deteriorating  
1992 - 1995**

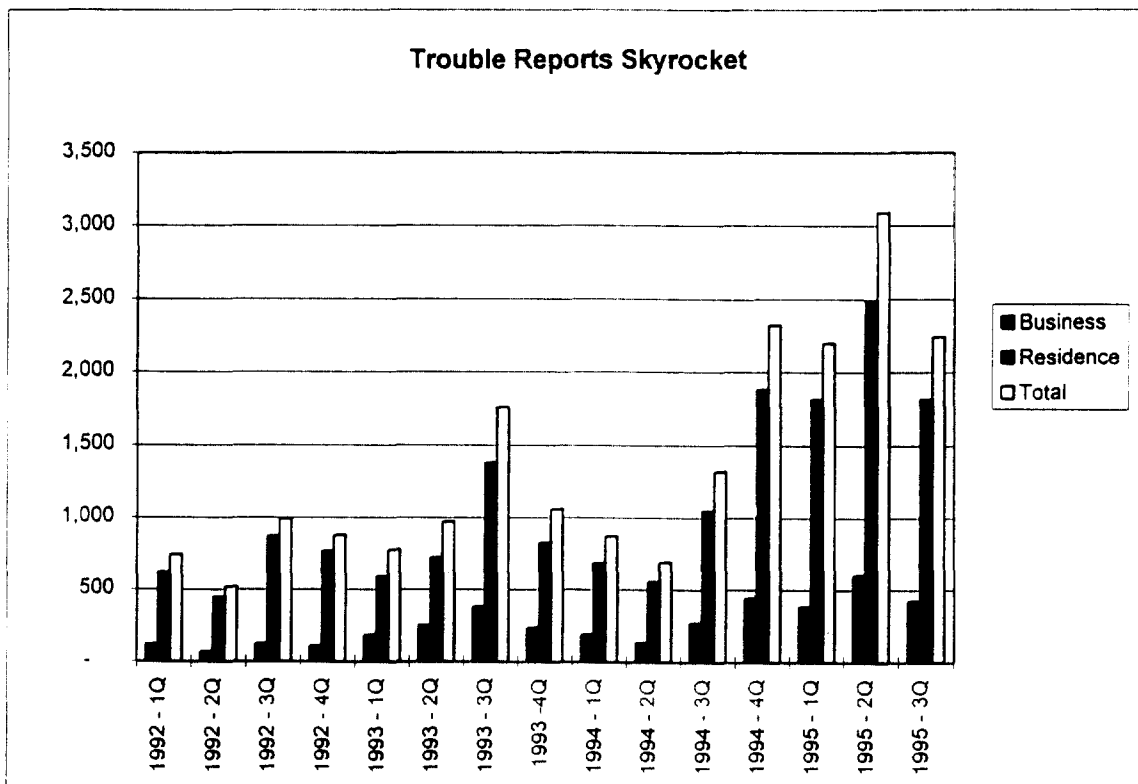
**Missouri, Texas, California, Virginia, Alabama, Wisconsin**



# GTE Midwest - Missouri

## FCC Service Quality Statistics: *Repeat Trouble Reports*

Quarter	Residence			Business			All
	MSA	Non-MSA	Total	MSA	Non-MSA	Total	GRAND TOTAL
1992 - 1Q	183	439	622	36	86	122	744
1992 - 2Q	99	352	451	15	56	71	522
1992 - 3Q	398	472	870	56	68	124	994
1992 - 4Q	399	367	766	58	53	111	877
1992 Avg.	270	408	677	41	66	107	784
1993 - 1Q	250	342	592	121	64	185	777
1993 - 2Q	301	421	722	125	125	250	972
1993 - 3Q	603	778	1381	215	165	380	1761
1993 - 4Q	391	433	824	120	116	236	1060
1993 Avg.	386	494	880	145	118	263	1143
1994 - 1Q	340	343	683	113	75	188	871
1994 - 2Q	285	271	556	87	48	135	691
1994 - 3Q	519	531	1050	162	110	272	1322
1994 - 4Q	893	990	1883	244	198	442	2325
1994 Avg.	509	534	1043	152	108	259	1302
1995 - 1Q	1023	795	1818	246	137	383	2201
1995 - 2Q	1109	1382	2491	357	246	603	3094
1995 - 3Q	976	845	1821	251	176	427	2248
1995 Avg.*	1036	1007	2043	285	186	471	2514
% Increase			202%			340%	221%



Source: GTE quarterly service reports filed with the Federal Communications Commission.

\*As of 4/9/96, the latest report on file with the FCC was for the 3rd quarter of 1995.

# **GTE Service Quality Deteriorating**

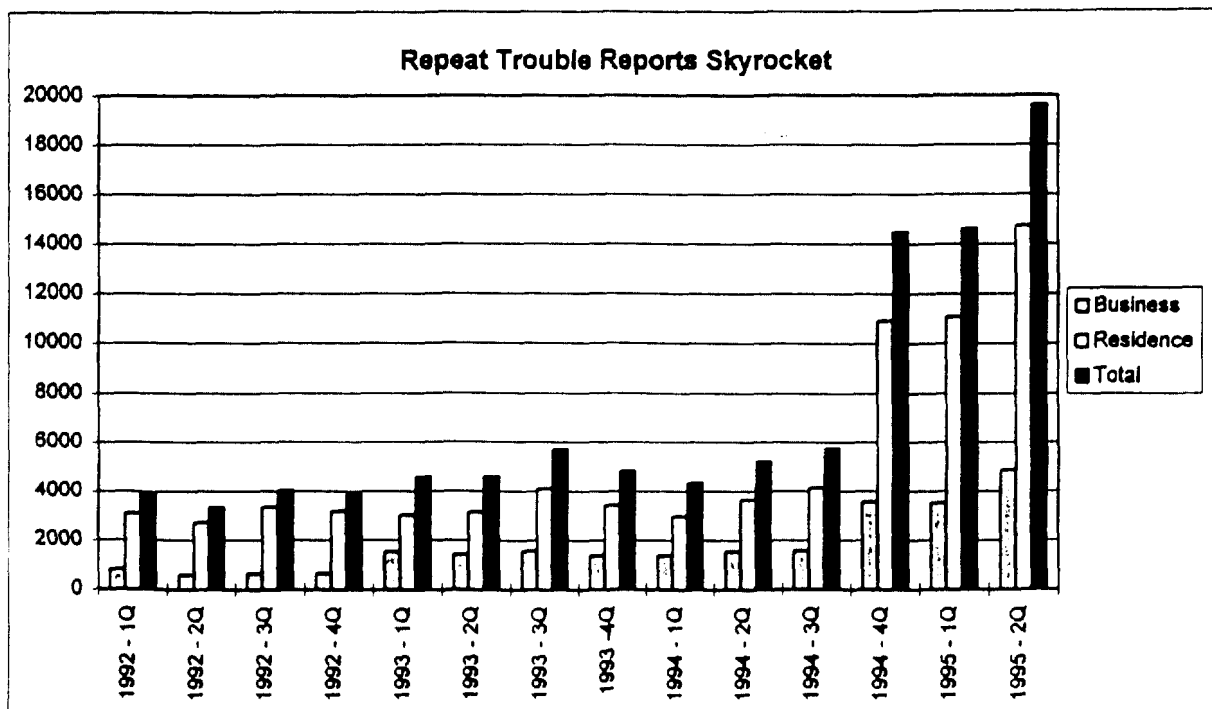
## **Service Quality Data Show GTE Customers Are Waiting Longer and Experiencing More Problems**

### **Repeat Trouble Reports Skyrocket Almost 400%**

#### **FCC Service Quality Statistics Show GTE's Dismal Record**

Statistics on repeat trouble reports—repeat complaints made by customers about the same problem—are reported by GTE to the Federal Communications Commission (FCC). GTE's repeat trouble reports skyrocketed an incredible 397% from 1992 to the second quarter of 1995 (the latest period for which statistics are available). Residential repeat trouble reports went from 3,116 to 14,741 per quarter, an increase of 373%, while reports from businesses climbed from 834 to 4,883, a 486% increase. The combined residential and business total was 3,950 for the first quarter of 1992, increasing 397% to a total of 19,624 for the second quarter of 1995.

The biggest increases during this period came in the fourth quarter of 1994, when residential reports increased 163%, business reports went up 124%, and the total increased by 152% over the previous quarter.



## **GTE Repeatedly Fails to Meet Answer Time Standards**

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### **Calls to Business Office and Repair Service Not Answered in 20 Seconds**

The Texas Public Utilities Commission (PUC) requires that at least 90% of calls to the Business Office of a regulated telephone utility be answered within 20 seconds. GTE failed to meet that standard on an annual basis in 1992, 1993, and the first three quarters of 1994, according to the monthly service quality data GTE reports to the PUC each quarter. In fact, GTE failed to meet the standard for sixteen months in a row—every single month from November 1991 through February 1993; in August 1992, only 43% of Business Office calls were answered within 20 seconds. The overall average for January 1992 through September 1994 (the latest report on file with the PUC is for the third quarter of 1994) is 83.98%—more than six percentage points below the standard.

GTE has also had difficulty meeting the PUC standard for Repair Service calls answered within 20 seconds, which is also set at 90%. From January 1990 through September 1994, calls were answered within 20 seconds only 88.42% of the time.

## **Customers Are Reporting More Problems, Waiting Longer for Installation and Repairs**

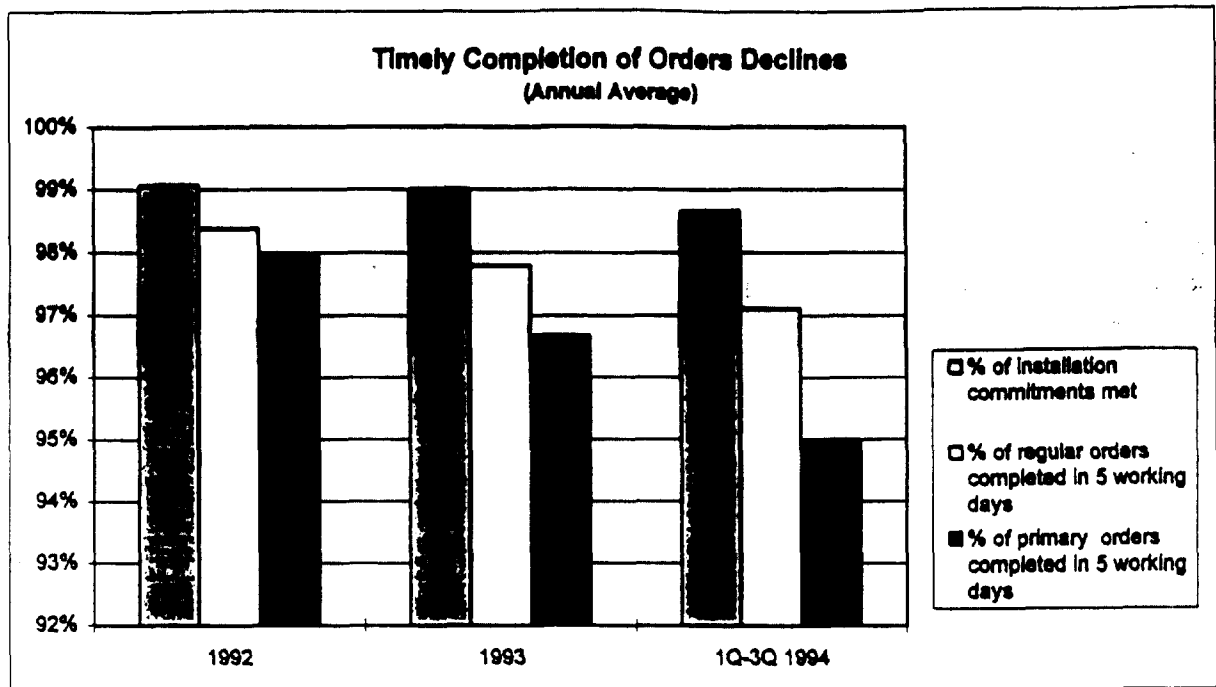
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### **Trouble Reports Up 24.1%**

GTE's service quality statistics reported to the PUC show another disturbing trend: an increasing number of customer trouble reports and a decreasing rate of timely installations and repairs. From 1992 to the third quarter of 1994, the annual average of trouble reports went up by more than 3,500 reports, an increase of 24.1%. (Trouble reports are given by the number of reports per 100 access lines; every report of 1 per 100 lines actually represents 13,630 trouble reports on GTE's 1,363,037 access lines.) The total number of trouble reports for 1994 (if the data for the first three quarters of the year are annualized) is almost 220,000.

### **Out-of-Service Repairs and Installations Taking Longer**

As GTE's customers experience more problems, GTE's responsiveness to customer needs is diminishing. The clearance of out-of-service reports within 8 working hours decreased from 1992 to 1993 and again from 1993 to 1994, as did the percentage of both regular and primary service orders completed in 5 working days and the percentage of installation commitments met. (Primary service is the initial provision of voice grade service to a new customer or a customer who has moved.)

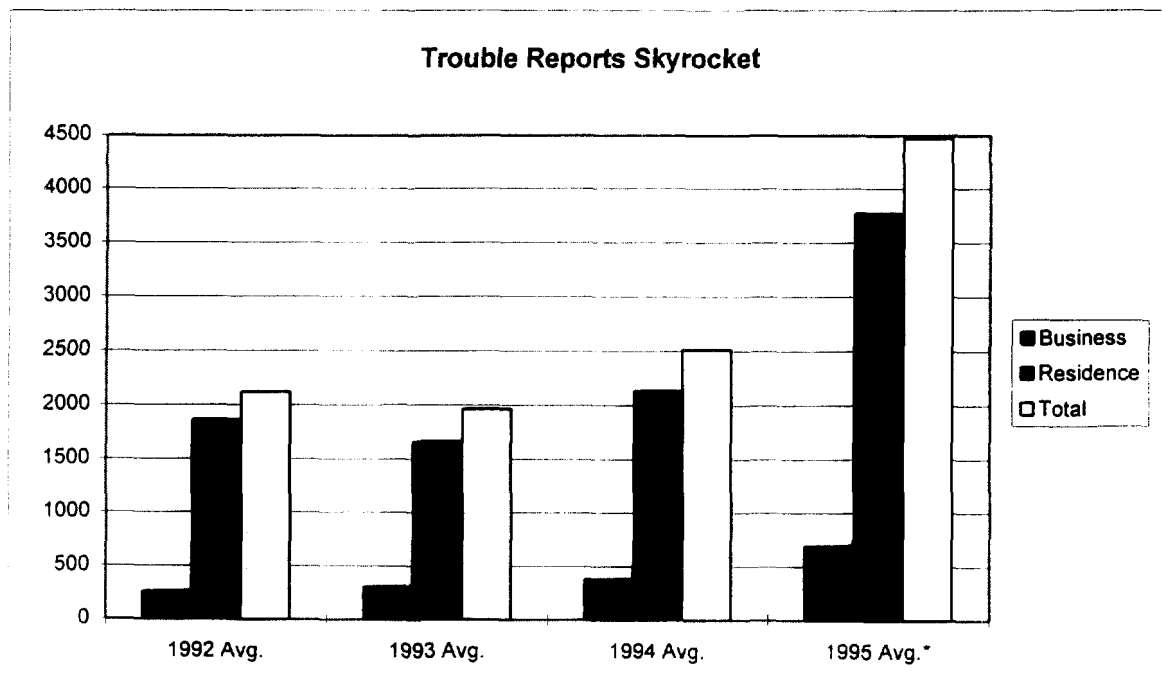


Sources: (1) GTE quarterly service quality reports filed with the Texas Public Utilities Commission (PUC). Data for the second quarter of 1992 were interpolated, as the PUC does not have any reports on file for that period. As of 10/27/95, the latest report on file with the PUC was for the 3rd quarter of 1994.

(2) GTE quarterly service quality reports filed with the Federal Communications Commission (FCC). As of 11/6/95, the latest report on file with the FCC was for the 2nd quarter of 1995.

**GTE - Alabama**  
**FCC Service Quality Statistics: Repeat Trouble Reports**

Quarter	Business			Residence			All
	MSA	Non-MSA	Total	MSA	Non-MSA	Total	GRAND TOTAL
1992 - 1Q	197	189	386	1272	1634	2906	3292
1992 - 2Q	82	114	196	584	843	1427	1623
1992 - 3Q	114	148	262	804	1024	1828	2090
1992 - 4Q	106	98	204	595	697	1292	1496
<b>1992 Avg.</b>	<b>125</b>	<b>137</b>	<b>262</b>	<b>814</b>	<b>1050</b>	<b>1863</b>	<b>2125</b>
1993 - 1Q	146	114	260	529	768	1297	1557
1993 - 2Q	220	213	433	893	1549	2442	2875
1993 - 3Q	129	124	253	471	957	1428	1681
1993 - 4Q	136	135	271	611	876	1487	1758
<b>1993 Avg.</b>	<b>158</b>	<b>147</b>	<b>304</b>	<b>626</b>	<b>1038</b>	<b>1664</b>	<b>1968</b>
1994 - 1Q	152	142	294	431	876	1307	1601
1994 - 2Q	123	155	278	532	1167	1699	1977
1994 - 3Q	215	245	460	1055	1765	2820	3280
1994 - 4Q	246	240	486	1019	1705	2724	3210
<b>1994 Avg.</b>	<b>184</b>	<b>196</b>	<b>380</b>	<b>759</b>	<b>1378</b>	<b>2138</b>	<b>2517</b>
1995 - 1Q	302	254	556	1016	1724	2740	3296
1995 - 2Q	491	511	1002	1988	3543	5531	6533
1995 - 3Q	251	277	528	1073	1987	3060	3588
<b>1995 Avg.*</b>	<b>348</b>	<b>347</b>	<b>695</b>	<b>1359</b>	<b>2418</b>	<b>3777</b>	<b>4472</b>
<b>% Increase</b>			<b>165%</b>			<b>103%</b>	<b>110%</b>

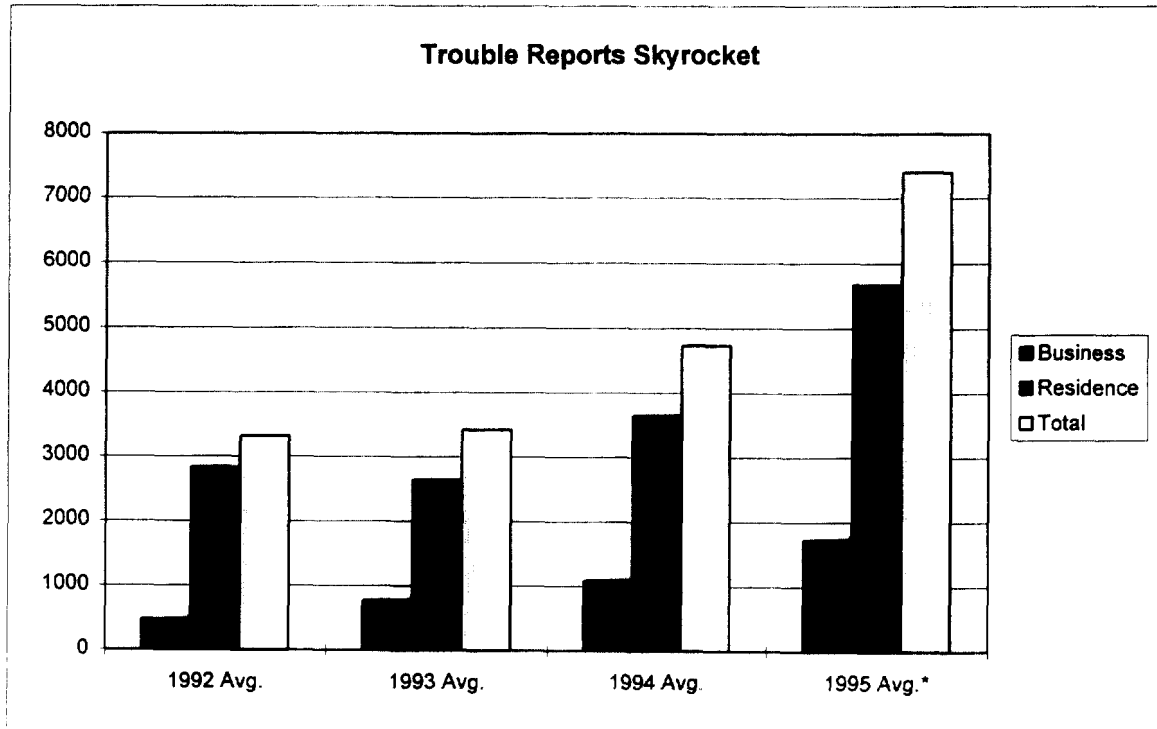


Source: GTE quarterly service reports filed with the Federal Communications Commission.

\*As of 4/9/96, the latest report on file with the FCC was for the 3rd quarter of 1995.

**GTE North - Wisconsin**  
**FCC Service Quality Statistics: Repeat Trouble Reports**

Quarter	Business			Residence			All
	MSA	Non-MSA	Total	MSA	Non-MSA	Total	GRAND TOTAL
1992 - 1Q	163	395	558	1125	2239	3364	3922
1992 - 2Q	113	327	440	797	1805	2602	3042
1992 - 3Q	202	359	561	1172	2067	3239	3800
1992 - 4Q	135	230	365	826	1326	2152	2517
<b>1992 Avg.</b>	<b>153</b>	<b>328</b>	<b>481</b>	<b>980</b>	<b>1859</b>	<b>2839</b>	<b>3320</b>
1993 - 1Q	53	95	148	270	333	603	751
1993 - 2Q	280	627	907	1035	2049	3084	3991
1993 - 3Q	392	954	1346	1482	2834	4316	5662
1993 - 4Q	260	444	704	920	1674	2594	3298
<b>1993 Avg.</b>	<b>246</b>	<b>530</b>	<b>776</b>	<b>927</b>	<b>1723</b>	<b>2649</b>	<b>3426</b>
1994 - 1Q	229	353	582	796	1287	2083	2665
1994 - 2Q	308	592	900	1019	1854	2873	3773
1994 - 3Q	402	978	1380	1424	2605	4029	5409
1994 - 4Q	561	936	1497	2149	3465	5614	7111
<b>1994 Avg.</b>	<b>375</b>	<b>715</b>	<b>1090</b>	<b>1347</b>	<b>2303</b>	<b>3650</b>	<b>4740</b>
1995 - 1Q	532	803	1335	1669	2533	4202	5537
1995 - 2Q	752	1560	2312	2556	4741	7297	9609
1995 - 3Q	522	1028	1550	2027	3486	5513	7063
<b>1995 Avg.*</b>	<b>602</b>	<b>1130</b>	<b>1732</b>	<b>2084</b>	<b>3587</b>	<b>5671</b>	<b>7403</b>
<b>% Increase</b>	<b>260%</b>			<b>100%</b>			<b>123%</b>



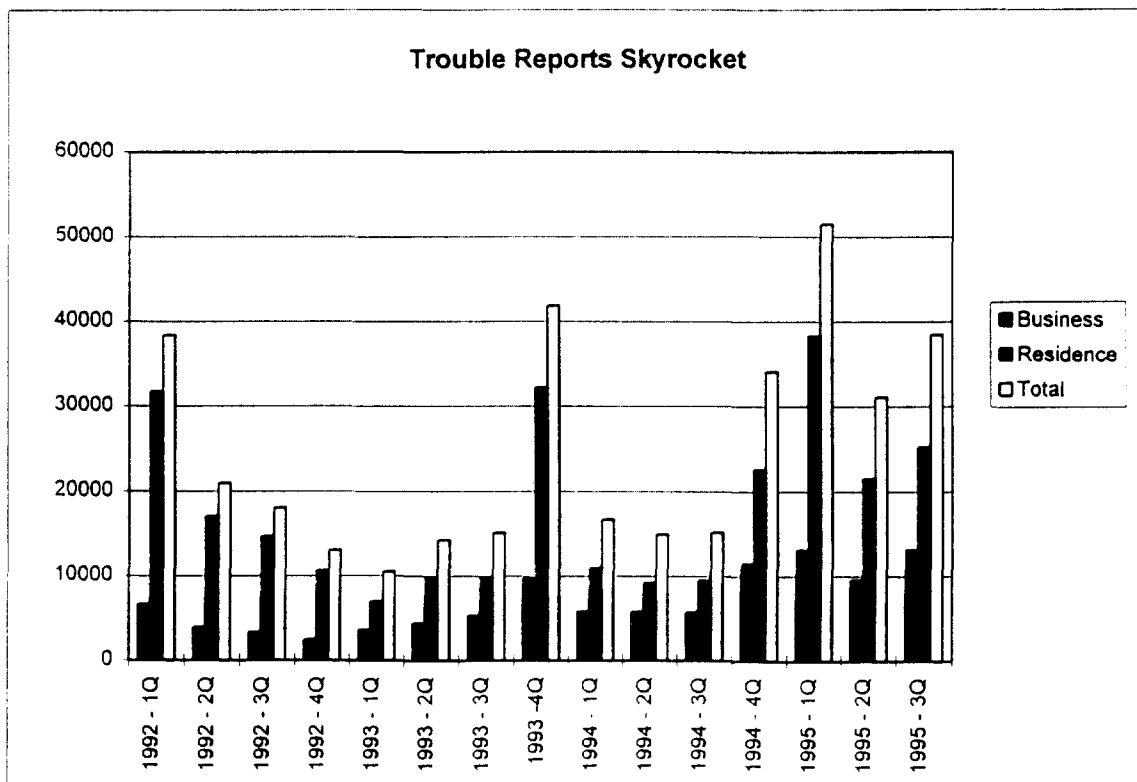
Source: GTE quarterly service reports filed with the Federal Communications Commission.

\*As of 4/9/96, the latest report on file with the FCC was for the 3rd quarter of 1995.

# GTE - California

## FCC Service Quality Statistics: *Repeat Trouble Reports*

Quarter	Residence			Business			All
	MSA	Non-MSA	Total	MSA	Non-MSA	Total	GRAND TOTAL
1992 - 1Q	30572	1174	31746	6412	238	6650	38396
1992 - 2Q	16450	616	17066	3797	117	3914	20980
1992 - 3Q	14715	33	14748	3306	13	3319	18067
1992 - 4Q	10688	8	10695	2449	3	2453	13148
<b>1992 Avg.</b>	<b>18106</b>	<b>458</b>	<b>18564</b>	<b>3991</b>	<b>93</b>	<b>4084</b>	<b>22648</b>
1993 - 1Q	6949	3	6952	3583	3	3586	10538
1993 - 2Q	9849	3	9852	4421	0	4421	14273
1993 - 3Q	9878	0	9878	5290	0	5290	15168
1993 - 4Q	32184	23	32207	9720	4	9724	41931
<b>1993 Avg.</b>	<b>14715</b>	<b>7</b>	<b>14722</b>	<b>5754</b>	<b>2</b>	<b>5755</b>	<b>20478</b>
1994 - 1Q	10984	8	10992	5776	1	5777	16769
1994 - 2Q	9245	2	9247	5747	1	5748	14995
1994 - 3Q	9529	0	9529	5716	0	5716	15245
1994 - 4Q	22655	4	22659	11472	3	11475	34134
<b>1994 Avg.</b>	<b>13103</b>	<b>4</b>	<b>13107</b>	<b>7178</b>	<b>1</b>	<b>7179</b>	<b>20286</b>
1995 - 1Q	38345	6	38351	13163	2	13165	51516
1995 - 2Q	21574	5	21579	9567	7	9574	31153
1995 - 3Q	25284	2	25286	13228	0	13228	38514
<b>1995 Avg.*</b>	<b>28401</b>	<b>4</b>	<b>28405</b>	<b>11986</b>	<b>3</b>	<b>11989</b>	<b>40394</b>
<b>% Increase</b>			<b>53%</b>			<b>194%</b>	<b>78%</b>

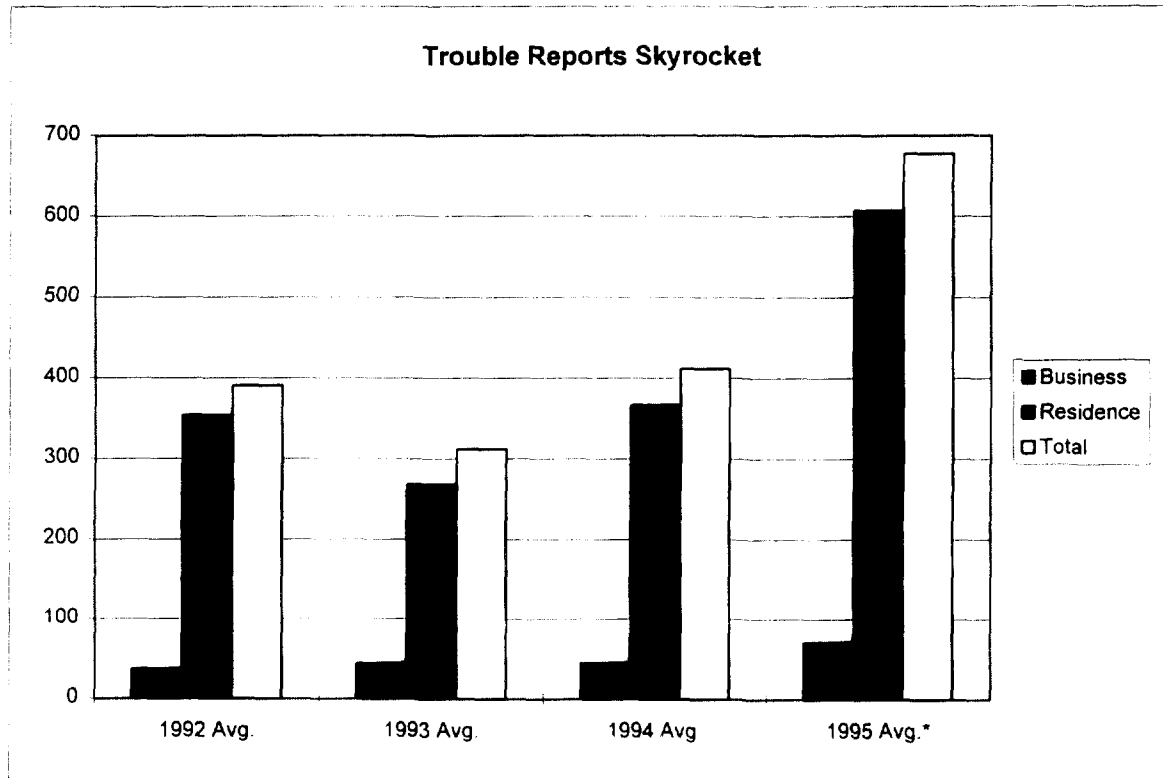


Source: GTE quarterly service reports filed with the Federal Communications Commission.

\*As of 4/9/96, the latest report on file with the FCC was for the 3rd quarter of 1995.

**GTE - Virginia**  
**FCC Service Quality Statistics: Repeat Trouble Reports**

Quarter	Business			Residence			All
	MSA	Non-MSA	Total	MSA	Non-MSA	Total	GRAND TOTAL
1992 - 1Q	0	47	47	0	622	622	669
1992 - 2Q	0	30	30	0	264	264	294
1992 - 3Q	0	39	39	0	296	296	335
1992 - 4Q	0	31	31	0	234	234	265
<b>1992 Avg.</b>	<b>0</b>	<b>37</b>	<b>37</b>	<b>0</b>	<b>354</b>	<b>354</b>	<b>391</b>
1993 - 1Q	0	41	41	0	254	254	295
1993 - 2Q	0	41	41	0	282	282	323
1993 - 3Q	0	61	61	0	288	288	349
1993 - 4Q	0	33	33	0	246	246	279
<b>1993 Avg.</b>	<b>0</b>	<b>44</b>	<b>44</b>	<b>0</b>	<b>268</b>	<b>268</b>	<b>312</b>
1994 - 1Q	0	45	45	0	320	320	365
1994 - 2Q	0	36	36	0	255	255	291
1994 - 3Q	0	47	47	0	278	278	325
1994 - 4Q	0	52	52	0	615	615	667
<b>1994 Avg.</b>	<b>0</b>	<b>45</b>	<b>45</b>	<b>0</b>	<b>367</b>	<b>367</b>	<b>412</b>
1995 - 1Q	0	55	55	0	631	631	686
1995 - 2Q	0	115	115	0	783	783	898
1995 - 3Q	0	43	43	0	408	408	451
<b>1995 Avg.*</b>	<b>0</b>	<b>71</b>	<b>71</b>	<b>0</b>	<b>607</b>	<b>607</b>	<b>678</b>
<b>% Increase</b>			<b>93%</b>			<b>72%</b>	<b>74%</b>



Source: GTE quarterly service reports filed with the Federal Communications Commission.

\*As of 4/9/96, the latest report on file with the FCC was for the 3rd quarter of 1995.